

Tax Cut Benefits Over 40,000 Middle-Class Families in District 23

(Washington, D.C.) - Congressman Rodriguez applauded the passage of H.R. 4351, a tax cut package that offers more than \$50 billion in middle-class tax relief and saves 47,299 households in 23rd Congressional District of Texas from paying higher taxes under the Alternative Minimum Tax. H.R. 4351 passed by a vote of 226 to 193.

"Families in San Antonio and across the 23rd District have endured skyrocketing costs of college education, gas prices inching up daily, and the decline of value in their homes," said Congressman Ciro D. Rodriguez. "I am proud to vote for a plan that cuts taxes for middle class families and saves 1.1 million Texas households, including over 40,000 from Bexar to El Paso County, from being penalized by the Alternative Minimum Tax."

The Alternative Minimum Tax (AMT) was originally designed to ensure very wealthy individuals do not avoid paying income tax. With inflation, the tax now threatens to impact middle-class families and raise taxes on 19 million Americans in tax year 2007, according to the Joint Committee on Taxation, including 47,299 in District 23. The AMT Relief Act of 2007 protects 19 million middle-class families from being hit by the Alternative Minimum Tax and includes a series of other provisions that provide tax relief to working families.

TX-23

Texas

Number of Households Paying AMT -- 2005	132,872
Estimated Number of Households Paying AMT in 2007 if Congress Fails to Take Action	1,205,114
% Increase	856%
Households Saved from the AMT by HR 4351	1,137,642

Short Summary of H.R. 4351:

- Ensures that no additional taxpayers pay the AMT this year
- Expands the refundable child tax credit to provide relief to more than 12 million children
- Closes loophole allowing hedge fund managers to defer compensation in offshore accounts
- Delays implementation of worldwide allocation of interest
- Clarifies the economic substance doctrine

- Creates uniform penalty for failure to file partnership and S corporation returns
- Increases information return penalties
- Increases general failure to file return penalties by taking inflation into account.

Congressman Rodriguez serves as a Member of the House Committee on Appropriations.

#